



DEPARTMENT OF THE TREASURY TREASURY FRANCHISE FUND

SHUTDOWN STRATEGY

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Section I SHUTDOWN PREPARATION

The Treasury Franchise Fund (The Fund), through the operations of the Bureau of the Public Debt's Administrative Resource Center (ARC) provides a full range of administrative services to federal agencies, including:

- Financial Management
- Human Resources Management
- Information Technology
- Investment Accounting
- Procurement
- Travel Services

The operating status of The Fund's customer agencies vary in the event of a lapse in annual appropriations. The extent to which the functions of The Fund are excepted is based on the operating status of customer agencies. In the event of a lapse in annual appropriations, The Fund does not face an immediate financial impact due to the availability of Franchise reserves and continued reimbursements from customer agencies not impacted by the lapse and thus continue to receive services.

The Fund will commence the preparation phase upon receiving notification from the Department that a lapse of appropriations is possible and a partial or government-wide shutdown is imminent.

In compliance with OMB Circular A-11, a list of program offices outlining excepted and non-excepted organization functions is below (please see also Attachment A).

1. Estimated time to complete shutdown of non-excepted activities	9 days (Franchise reserves are available to fund non-billable costs incurred during shutdown)
2. Number of employees expected to be on board prior to implementing shutdown plan	1,034
3. Number of employees to be retained due to: a. Funded by other than annual appropriated funds b. Engaged in military, law enforcement or direct provision of health care activities c. Necessary for protection of life and property d. Discharge of President's constitutional duties	* Range 1,034 to 445
4. Total number of excepted employees	* Range 1,034 to 445
(*) Represents a range as we process through and fully implement a phased shutdown approach. Please see Section II Shutdown Implementation for a description, including timing and volume, of the Fund's phased approach. The levels will be based on the non-appropriated volumes and the mix of services that would be provided.	

Upon commencement of the preparation phase, the Fund's employees (includes managers, supervisors and staff) will be notified via email of the potential shutdown of operations. The email will more specifically advise employees of the following:

- The impact of the funding restrictions on the Fund's customer base.
- The intent of the Fund to continue servicing agencies or portions of agencies that continue to operate during a funding lapse.
- The Fund's strategy to handle an on-going funding lapse.
- Excepted or non-excepted status of bargaining and non-bargaining unit staff.
- Health and life insurance coverage will not be affected if employees are furloughed.
- Furloughed employees may arrange to pay their portion of the health benefit costs on an on-going basis or upon their return to duty.
- Specific instructions for any employees that might be in travel or training status during the shutdown.
- Recall conditions and use of call tree to notify employees when to return to duty.
- Name of point of contact will be provided to employees that can answer questions regarding the shutdown plan.

Note - All employee email notifications sent will be communicated to the President of the local chapter of the National Treasury Employees Union (NTEU).

The Fund will also provide regular email updates to the Treasury Fiscal Assistant Secretary and Public Debt's Public and Legislative Affairs Offices on the status of our operations.

Section II SHUTDOWN IMPLEMENTATION

The implementation phase will consist of three phases for the Fund. The Fund can continue to service agencies or portions of agencies that continue to operate during a partial or government-wide shutdown. Additionally, the Fund will manage operations in accordance with the phased approach outlined below.

PHASE 1: (Day 1 and 2)

The first two days will be used to assess and validate customer needs, review their ability to pay, and plan for an orderly shutdown of customers not authorized to operate during a funding lapse. As such, the customer base will be contacted to determine or validate the services that will continue to be provided. In addition, the billing process will be amended to ensure that only the agencies or portions of agencies that are being serviced by the Fund are billed.

PHASE 2: (Day 3 thru 9)

Based on final assessments in phase 1, reductions in staff resources and non-fixed expenses will begin. A fraction of staff will be retained to support the agencies or portions of agencies that the

Fund continues to service during a government-wide shutdown and to meet the Fund's mission essential functions. Mission essential personnel consist of approximately 16% of franchise staff and are those designated in the Fund's Contingency Plan to provide a minimum level of communication, administrative and information technology operational, help desk and support services in the event of an emergency. Seniority and OMB guidance will be the tools used to determine the basis for selecting the staff that will be asked to report to work. All staffing decisions and staffing notifications will be communicated to the President of the local chapter of the NTEU.

PHASE 3: (Day 10 and beyond)

Management will continue to assess the financial impact and status of the Fund, including the impact on the Fund's operating reserves. Based on the assessment, management may authorize the following actions:

1. Establishment of negotiation goals and timeline that will mitigate the funding lapse's financial impact in a timely manner and at minimal cost; and
2. Renegotiate terms with suppliers; and/or
3. Renegotiate current contracts with agencies or portions of agencies that the Fund continues to service to ensure that fixed costs are fully funded.

Section III REACTIVATION OF FUNCTIONS

The Fund will re-establish all operations that were curtailed during the government-wide shutdown upon receiving notification from the Department that a continuing resolution and/or appropriation has been enacted. The Fund will follow the process outlined below:

- The call tree will be activated to inform employees of the date to return to tour of duty.
- Point of contact information will be provided to employees for any questions.
- Employees will be notified how issues, such as benefits, are being impacted by reactivation.
- The President of the local chapter of NTEU will be notified of the communication provided to inform employees to return to tour of duty.

The Fund will modify agreements with customers that were not fully serviced by the Fund during the government-wide shutdown to reduce those agreements appropriately for services that were not provided.

**LISTING OF FUNCTIONS
BY SHUTDOWN CATEGORY**

TREASURY FRANCHISE FUND

<u>FUNCTIONAL ACTIVITY/ PROGRAM/OFFICE</u>	<u>CATEGORY</u>	
	<u>EXCEPTED*</u>	<u>NON-EXCEPTED</u>
<u>Administrative Resource Center</u>		
Office of the Executive Director	X	
Division of Franchise Services	X	
Accounting Services Division	X	
Business Technology Division	X	
Human Resources Division	X	
Travel Services Division	X	
Division of Procurement	X	
<u>OFFICE OF INFORMATION TECHNOLOGY</u>		
Office of the Assistant Commissioner	X	
Division of Infrastructure Services	X	
Division of Operations	X	
Division of Program Services	X	
Division of Services Management	X	
Division of Systems Development	X	
<u>OFFICE OF PUBLIC DEBT ACCOUNTING</u>		
Investment Accounting Services	X	

* Please see Section II Shutdown Implementation that outlines the Fund's phased approach.

SUMMARY OF SHUTDOWN IMPACTS*

BUREAU: TREASURY FRANCHISE FUND

A. Estimated time to complete shutdown of "non-excepted" activities.	9 days
B. Number of employees expected to be on board prior to implementation of shutdown plan (direct and reimbursable). (as of 02/02/11)	1,034
C. Number of "excepted" employees to be retained under the plan that are:	
1. Funded by other than annual appropriations; or	(*) <u>100% - 43%</u>
2. Engaged in military, law enforcement or direct provision of health care activities; or	_____
3. Necessary for protection of life and property; or	_____
4. Discharge of President's constitutional duties	_____
Subtotal, "Excepted" Positions	(*) <u>1034 to 445</u>
D. Percentage "Excepted"	(*) <u>100% - 43%</u>

(*) Represents a range as we process through and fully implement a phased shutdown approach. Please see Section II Shutdown Implementation for a description, including timing and volume, of the Fund's phased approach. The levels will be based on the non-appropriated volumes and the mix of services that would be provided.